RECMA

June 30th 2020

overall

Activity Volume 2019

Extracts

N.AMERICA LATAM EMEA APAC

A marketing survey

1. **Activity rankings 2019**

A management tool

2. **Network analysis & dashboards**

A clarification of resources

3. **Group Extended perimeter**

18 networks **75 countries** **1200 agencies**

Two great innovations in this Overall Activity volume 2019 report

In this 20th edition of the "Global rankings" research – *OAV 2019*- page six, you will find which Group of media agency networks increased the most since 1999.

The OAV is based on **75 countries, involving 1200 agencies,** a wider coverage compared to last editions, bringing more points of analysis.

Agency rankings by RECMA are the most accurate available because **we include all the diversification**, that means all the digital media activities (and not only the monitored digital adspends) plus diversified services in data & analytics, content, events, etc. Diversification weighs 47% of the industry activity.

Rankings are based on agency client lists qualified not only in adspend, but also in integrated spendings, including digital and diversification. In September, all the RECMA databases will be available in adspends as well as in integrated spendings.

Beyond this advanced methodology, this report brings two innovations:

1- the **Network management dashboards** enable leaders to know the marketing performance of each agency in 50 countries and to compare competitors thanks to six metrics. Moreover, this year, we have developed an **analysis** available through a one-page narrative following an articulated template, making it therefore easy to compare competitors' performances.

2- the **EXTENDED Activity ranking** is based on the aggregation of digital agencies and specialist companies which serve media agencies' clients but also direct clients. Based on a consensus with professionals, we have estimated the volume of these Activities and built a new Group ranking reflecting the investments and experience in new disciplines.

As usual, these rankings should strengthen media agencies' credentials and bring clarity to consultants and advertisers.

Many thanks to our partners for their fruitful cooperation.

CAROLINE MONTANE, Senior Global Analyst
FULBERT BILLAUDOT, Research Director

AND ALL THE RECMA TEAM.

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Example of an analysis and two tables

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Why including within media Groups **digital** and **specialized companies servicing direct clients ?**

A-The Overall Activity volume report investigates 75 countries

Metrics : Activity volume 2019; 2018; growth rate; staff 2019 & 2018; ratio A/Staff; Share of non-tradi.

North America
USA
Canada

Latin America
(10 countries)
Mexico
Argentina
Uruguay
Paraguay
Chile
Peru
Ecuador
Colombia
Puerto Rico
Guatemala

EMEA (31)

Top 5 Europe
UK
Germany
France
Italy
Spain

Other Western Europe (7)
Netherlands
Belgium
Ireland
Portugal
Greece
Austria
Switzerland

Nordics (4)
Denmark
Sweden
Norway
Finland

Baltics (3)
Estonia
Latvia
Lithuania

Central Europe (9)
Poland
Czechia
Slovakia
Hungary
Romania (2018)
Bulgaria
Serbia (2018)
Croatia
Slovenia

Eastern Europe
Russia
Moldova
Georgia
Armenia
Azerbaïdjan
Ukraine
Turkey
Israel

Mid East & Africa
MENA
Morocco /MENA
Egypt /MENA
Lebanon /MENA
KSA Saoudi /MENA
Kenya 2018 data
Nigeria 2018 data
Ghana 2018 data
South Africa

APAC (18)

South Asia (4)
India
Pakistan
Sri Lanka
Bangladesh

South East Asia (7)
Singapore
Malaysia
Thailand
Myanmar
Philippines
Indonesia
Vietnam

Greater China
Hong Kong
China
Taiwan

North Asia
South Korea
Japan

Pacific
Australia
New Zealand

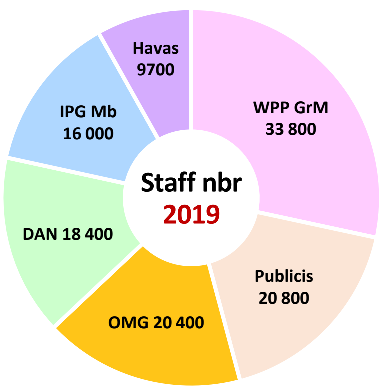
In **bold** typo the 57 countries that are aggregated in the global and regional rankings with their 2019 data. In grey typo, updates to be published in July-September 2020.

B-Twenty years of staff growth:

Which Group performed the best ?

Twenty years ago, RECMA published its first international ranking.
Staff grew four times, an evidence of the success of media agency services

	staff nbr in 1999	staff nbr in 2019	growth
GroupM WPP	**6 830**	**34 400**	**x5.0**
Mindshare	1 750	11 500	x6.5
MediaCom	1 540	11 000	x7.1
Wavemaker (TMEdge + CIA)	1 540 2 000	10 200	x2.9
Essence	-	1 700	n.a.
Publicis Media	**4 540**	**20 800**	**x4.6**
Starcom	1 500	8 800	x5.9
Zenith	1 400	7 600	x5.4
Spark Foundry (Mvest + Opti)	924 + 712	4 400	x2.7
OMG	**4 850**	**20 400**	**x4.2**
OMD	4 407	13 000	x2.9
PHD	443	6 300	x14
Hearts & Science	-	1 100	n.a.
IPG Mediabrands	**7 205**	**16 000**	**x2.2**
UM	4 225	8 800	x2.1
Initiative	2 980	7 200	x2.4
DAN	**4 225**	**18 400**	**x4.3**
Carat	4 225	11 000	x2.6
Vizeum	-	4 000	n.a.
dentsu X	-	3 400	n.a.
Havas Media	**1 200**	**9 700**	**x8.1**
Havas (MPG)	1 200	8 400	x7.0
Arena	-	1 300	n.a.



Today, RECMA studies 17 networks of which 11 were already operating twenty years ago. Therefore it is possible to compare the development of the six Groups of media agencies, taking into account acquisitions and rebrandings.

• **GroupM** increased by five times its staff number, the best performance of the industry, not counting Havas Media. Today, GroupM has a 28,4% share of the total staff of the six Groups. Mindshare and MediaCom grew tremendously but Wavemaker followed a more hectic track.

• **Publicis Media** shows a robust growth for its two major brands Starcom and Zenith reaching a 17,5% industry share.

• **Omnicom Media** relies on the same staff number as Publicis, but its lead agency OMD grew two times more slowly than the four top players above. But the second brand PHD rose from three offices to a global network.

• **Dentsu Aegis Media** performed the same growth as Omnicom Media, and similarly, expanded two new brands while Carat only doubled its staff when other networks grew six times. Today, DAN has a staff share of 15,5% of the industry, two points below Publicis.

• **IPG** was the largest group twenty years ago : UM was n°2 and Initiative n°4. The multiple is around half of the industry (2x2 vs 4,1). But since 2015, Mediabrands has the highest growth of the competition (industry share 13,5%)

• **Havas Media** shows a multiple of growth double of the industry and reaches a 8% industry share.

C- Key findings of a reference year

1. 2019 should be **a reference year** because 2020 is disturbed by the economic downturn.
   Stability of the competition in 2019: same number of players; no merger; no launch and slight changes in industry shares.

   Few **decreases** in volume: Wavemaker (-1%), PHD (-1%) and Hearts & Science (-12% following P&G partly departure).
   Few double-digit growths: **Initiative (+14%)** and **dentsu X (+18%)**

2. Industry **growth rate** in 2019 vs 2018 is **+5,2%** vs 7,1% in 2018 ; 7,5% in 2017.

3. LEADERS. Same top four networks with stable industry shares
   #1 OMD 11.3pts, #2 Carat 10,5pts,
   #3 Mindshare 10.1pts, #4 MediaCom 9,1pts

4. CHALLENGERS. With an Activity volume 30% below the leader and a 7-8pts of industry shares: **#5 Wavemaker, #6 Starcom, #7 Zenith**

5. MID SIZED PLAYERS: with an Activity volume of 50% below the leader, five players with 5pts of industry shares:
   #8 UM, #9 Initiative, #9 Havas Media, #11 Spark Foundry, #12 PHD

6. EMERGENT PLAYERS. With less than 3pts of industry share : Vizeum, dentsu X, Hearts & Science, Essence, Arena.

7. Over the last three years, **the industry grew by 18%** (table A10).
   The challengers, #8 to #12, did better than the average (around + 30%):
   Initiative, Havas Media, PHD.

8. Several large networks resisted:
   Mindshare's growth of 20%; Carat +18%; MediaCom +15%.

9. **The geographical balance** shows the difficulty to be homogeneous:

   • weak industry shares:
   -in APAC : Initiative 13%; OMD 13%; Havas 11%
   -in Europe: Mindshare 28%; UM 27%; dentsu X 25%
   -in the USA : Wavemaker 24%; Vizeum 15%; dentsu X 14%

   • **USA** weighs 86% of Hearts & Science; 76% of Spark F; 73% of Essence
   • **Americas** weigh 55% of UM; 53% of Initiative; 49% of Carat, Starcom
   • **Europe** weighs 66% of Vizeum; 67% Arena; 53% Havas M.
   • **APAC** weighs 32% of Mindshare (average network 19%).

   The best balanced networks : MediaCom, PHD, Zenith (see table A12).

D- Perimeter: how many networks today?

This pie-chart includes 14 global media agency brands with their industry shares in 2019 according to the RECMA report "Overall Activity volume 2019". Independent agencies are not included.

Havas Media Group includes also **Arena media**

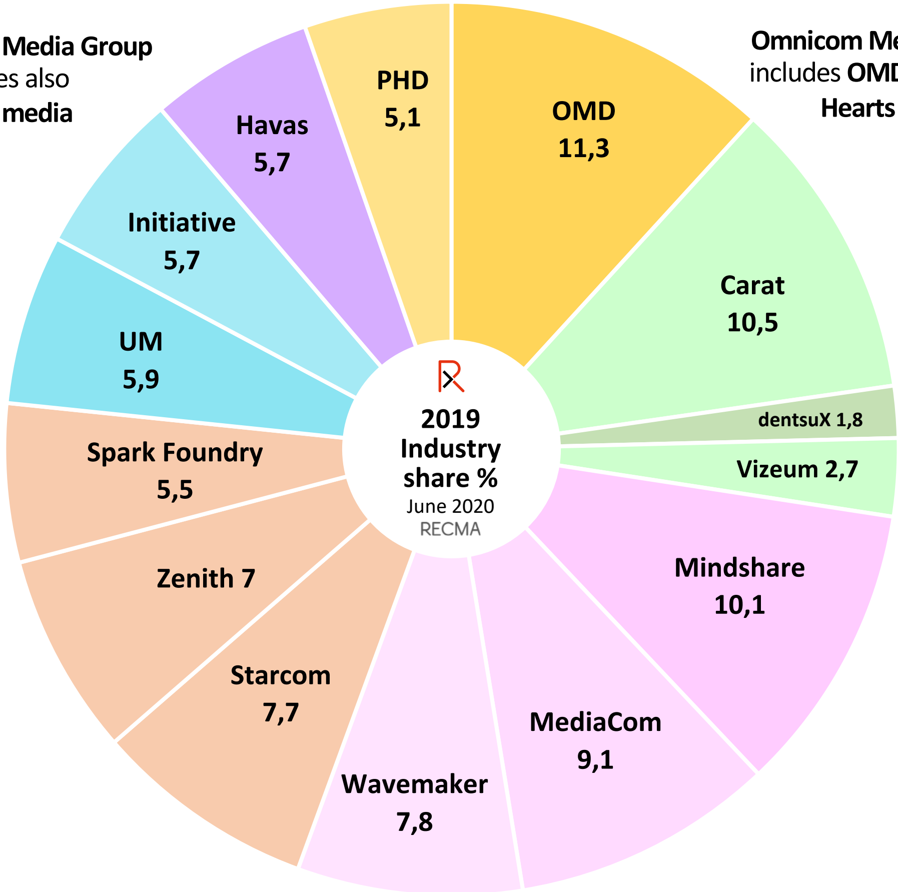
IPG Mediabrands includes **Initiative and UM.**

Publicis Media includes **3 brands**

Omnicom Media Group includes **OMD, PHD and Hearts & Science.**

DAN for Dentsu Aegis Network operates **with three brands : Carat, Vizeum and dentsu X**

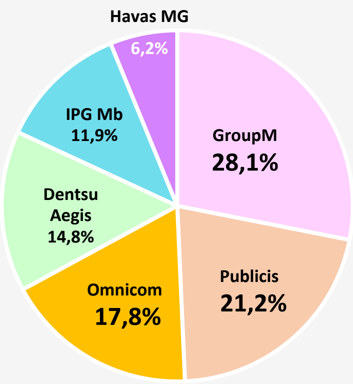
GroupM includes **3 large networks plus Essence and m/SIX**



4 other brands not yet global:

Hearts & S	1,8
Essence	1,4
Arena	0,7
m/SIX	0,1

Groups of media agencies Shares of Activity volume



June 2020

RECMA

Between how many global brands can advertisers choose their media agency partners ?

The large pie above shows the 14 major global networks with their industry share based on the total of the networks only, excluding independents. Groups of media agencies are seen on the left, in the small pie.
The 14 networks are 18 networks if we add four brands that are not yet global. Moreover, every Group has developped standalone agencies : for example Media Insight in Russia, part of Omnicom, or The Media Shop in South Africa, part of Mediabrands. Groups have also created units dedicated to one advertiser and not included into networks : for example L'Atelier LVMH at GroupM APAC or platformGFK @ Publicis Media.

The small pie on the left includes both the standalone agencies and the client units, but not the sibling companies specialized in digital, data & analytics or content, such as Performics and Epsilon at Publicis Media or iProspect and Merckle at DAN.
In the offering towards advertisers, we should include independent shops such as Horizon Media USA and 50 other worldwide. And two companies of domestic partners : Local Planet and Mediaplus.

E- Network global ranking

Rkg	Industry Share %	Activity 2019 (nbr of countries when NOT Global) © RECMA JUNE 2020		Overall Activity Volume in $m	Growth rate y-o-y
1	11,3%	OMD	-	38 534	7,9%
2	10,5%	Carat	-	36 005	5,4%
3	10,1%	Mindshare	-	34 416	5,7%
4	9,1%	MediaCom	-	31 266	2,9%
5	7,8%	Wavemaker	-	26 807	-1,0%
6	7,7%	Starcom	-	26 498	1,7%
7	7,0%	Zenith	-	24 116	7,8%
8	5,9%	UM	-	20 218	3,2%
9=	5,7%	Initiative	-	19 350	13,7%
9=	5,7%	Havas Media	-	19 350	6,4%
11	5,5%	Spark Foundry	23	18 986	2,9%
12	5,1%	PHD	-	17 457	-1,4%
13	2,7%	Vizeum	-	9 228	5,8%
14	1,8%	dentsu X	31	6 138	18,4%
15	1,8%	Hearts & Science	10	6 128	-10,4%
16	1,4%	Essence	7	4 841	7,0%
17	0,7%	Arena	11	2 439	0,3%
18	0,1%	m/SIX	3	459	6,6%
	na	Standalones		14 778	14.4%
	100%	Total Networks		357 017	4,9%

	Independents	29 456	8.9%
	Total Market	386 489	5,2%

The media agency industry grew by 5,2% in 2019 versus 7,1% in 2018 and 7,5% in 2017. The top eight ranking is the same as in 2018. Initiative is n°9 from n°12. Among the 18 networks studied, six are not global: **dentsu X** (31 countries) **Spark Foundry** (23), **Arena** (11), **Hearts & Science** (10), **Essence** (7) and **m/Six** (3). These six networks weigh **11%** of the total; the **top five weighs 49% of the network total.** Standalones are part of the Groups but not part of networks.

F- Network analysis summary

#1. OMD powerful in EMEA, improving elsewhere
The re-energization of OMD, since 2018, brings the second highest growth rate (8%) within the top 12 global networks. In EMEA the network is now #1, while OMD USA recovered from stagnation.

#2. Carat stronger in the USA, decreasing in APAC
0verall a good year 2019, thanks to the P&G giant win in the USA, but the growth in Europe is below industry average and Carat decreased steeply in APAC.

#3. Mindshare robust in the USA, outstanding in Asia, uneven in Europe
Overall good year 2019, better than the industry, thanks to the USA agency. The outstanding Mindshare China increased its market share to 24pts, the highest score of the industry within the top 16 countries.

#4. MediaCom : a limited growth and an average USA ranking prevent it from reaching the top three
MediaCom is unbalanced between several strong European & Asia agencies and average US operations. A quiet year 2019 below the industry growth rate.

#5. Wavemaker : a limited global decrease with a robust APAC growth offsetting the USA down.
Wavemaker is powerful in Europe, although stagnant, and brilliant in Asia, especially in China. The USA decline seems stabilized.

#6. Starcom : stability in growth rates, weakness in the top 5 Europe, robust in the USA.
Starcom has one of the less dynamic growth rate in 2019 and relies on the USA, Latin America and China to retain its ranking.

#7. Zenith : average growth rates, in Europe as in the USA. But in China Zenith accelerates.
Zenith stands in the middle of the league, ranked #7 or #8 in all regions. Half of its top 16 offices are below a 5pt market share.

#8 UM impacted by the Chrysler departure in the USA, but Latam, UK, Australia and India thrive.
UM, powerful in overall Americas, needs volume in Europe and Asia; and is still stagnating in China and Germany.

#9 Initiative: the highest growth rate in 2019.
Initiative became leader in Latin America but is mid-sized in the USA and still striving in top five Europe and China.

#9 Havas Media: slower growth in 2019 except in China, India, Russia and the UK.
Havas Media has still low industry shares in the USA (3.6), China (1.6), UK (3.7) but remains robust in Latam (#3) and EMEA (#5).

#11 Spark Foundry: negative growth in Latam and EMEA. Success in China and Spain
Spark Foundry, including Blue 449, manages 81% of its activity in the USA. But worldwide without the USA, the brand weighs 2pts of market only.

#12 PHD: negative growth in the USA following GSK departure. Successful in Asia (#7) and EMEA (#9) PHD's dynamism has been stopped in the USA, but the brand is a major challenger in the UK, Canada with Touché!, Australia and South Africa

#13 Vizeum robust in Europe; weak elsewhere.
Reaching a 5pts industry share, Vizeum stands as a challenger to the double-digit leaders in Europe only.

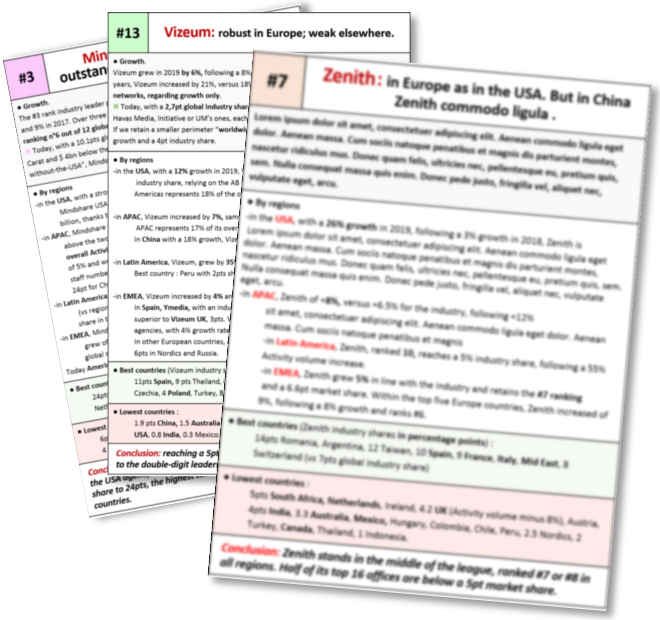
#14 dentsu X : robust in Asia; emerging elsewhere. The dentsu X growth rate is high when the level of Activity, in absolute numbers, is low. The setback in China and the slow growth in key countries explained why the global industry share is below 2 points.

#15 Hearts & Science: a slow development

#16 Essence: a slow development

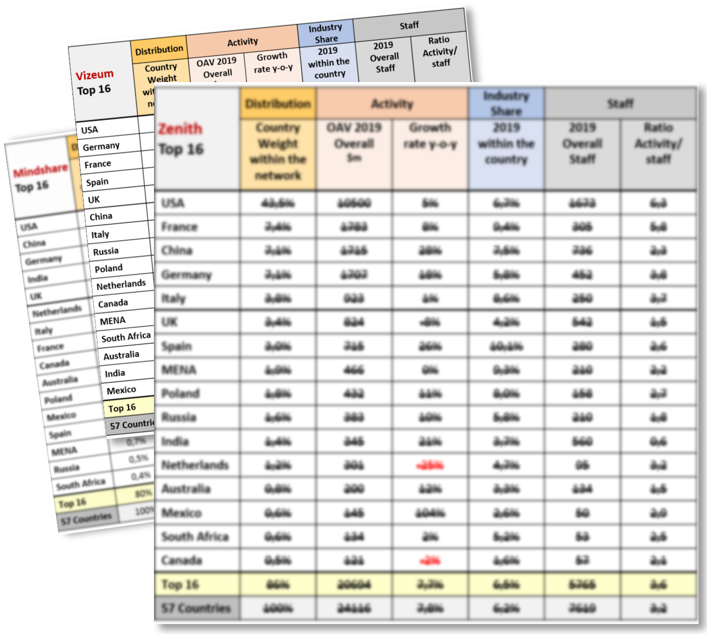
#17 Arena Media : stability

G- Examples of a management dashboard

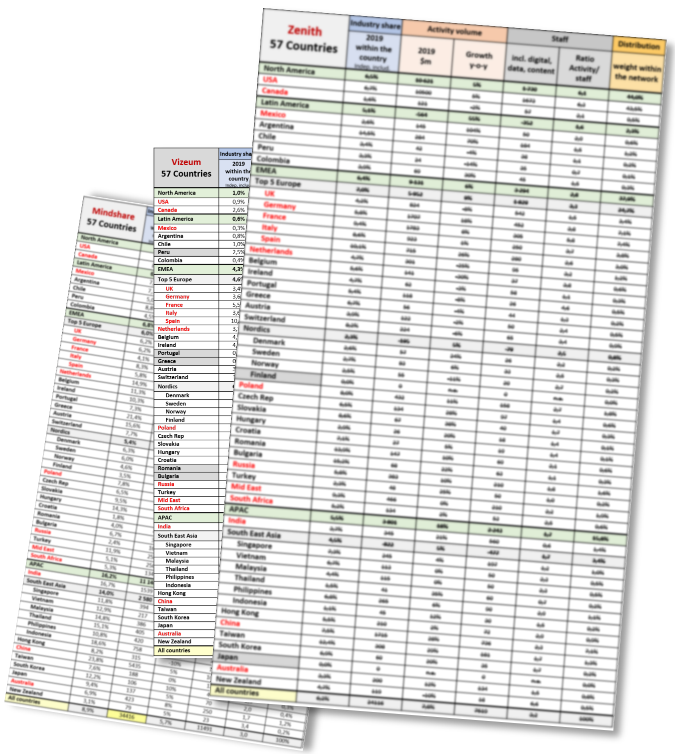


Three pages by network dedicated to the **marketing leaders**

For each of the 18 networks, an analysis by four Regions, and by best and lowest countries. **Trends & potential.**



Top 16 countries **with key data.**



All countries in one page with **six metrics.**

H- Methodology

Why including within media Groups **digital** and **specialized companies servicing direct clients ?**

For twenty years, the Groups of media agencies have been compared on the basis of the Activity volume of their networks and standalone agencies. However for most of the Groups, **diversification** is not necessarily embedded within the media networks. Diversification is often managed through specialized companies / brands which serve as well **direct clients**.

Therefore we aim at reflecting the volume that this activity represents for the media services Groups in a perimeter that **we define as "extended"** since it goes beyond the media networks although we remain in the field of the media related activities (excluding creative, PR, etc).

Extended Activity volume is based on a ratio per head discussed with professionnals based on the staff number dedicated to servicing direct clients. ***See the global Activity volume report 2019 part 3, with details by country***.

This extended Group ranking is reflecting Group investments and experience in new disciplines.

Companies/ brands **by specialty** with direct clients

Specilized companies/brands	DAN	Publicis	IPG mb	Omnicom	GroupM	Havas
Digital with a wide specter of activity	Isobar	Digitas	Reprise	Annalect	Quisma	-
Mobile	Fetch	INTERNAL	Reprise (ex-Ansible)	INTERNAL	INTERNAL	Mobext
Social	icuc	INTERNAL	Reprise (ex-society - SpringCreek)	INTERNAL	INTERNAL	Socialize
Programmatic	Amplifi/Amnet/ M1	Precision	Cadreon/ Kinesso (AMS)	Annalect / Omni	Xaxis / mPlatform	Affiperf
Data	Merkle D2D	Epsilon	Acxiom Marketing Solutions	INTERNAL	INTERNAL	DBI
Search, performance	iProspect	Performics	Reprise	INTERNAL	Quisma Keyade	Ecselis
OOH Out of home	Posterscope	INTERNAL	Rapport	INTERNAL	Kinetic	INTERNAL
Entertainement, Content	MKTG	INTERNAL	INTERNAL	Fuse	INTERNAL	Havas Sports & Ent.
Bartering	INTERNAL	INTERNAL	Orion	INTERNAL	INTERNAL	INTERNAL
Intl coordination	INTERNAL	INTERNAL	INTERNAL	INTERNAL	Global Solutions (WM)	HMI